

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
Docket No. 2004-141-E

In RE:)	
Application Of Duke Power Company LLC)	APPLICATION FOR ORDER
d/b/a Duke Energy Carolinas, LLC For Authorization)	AUTHORIZING AMENDMENT OF
Under Article 13, Chapter 27 Of Title 58 Of The)	REVOLVING CREDIT FACILITY
Code Of Laws Of South Carolina, (1976 As)	TO EXTEND MATURITY DATE
Amended), To Enter Into And Borrow Under Long-)	
Term Revolving Credit Facility)	
)	

Duke Power Company LLC d/b/a Duke Energy Carolinas, LLC (“Applicant” or “Duke Energy Carolinas”), hereby applies to the Public Service Commission of South Carolina (“Commission”) for approval of its entry into the amended and restated Facility, the incurrence and repayment of indebtedness pursuant to the terms thereof, and the issuance of notes evidencing such indebtedness, all in the manner herein set forth and as more fully described in Exhibit “A” hereto. This Application is made pursuant to Article 13, Chapter 27 of Title 58 of the Code of Laws of South Carolina, (1976, as amended) and other applicable Rules, Regulations, and Statutes. In support of this Application, the Applicant shows the Commission the following:

1. Its general offices are at 526 South Church Street, Charlotte, North Carolina, and its mailing address is:

Duke Power Company LLC
d/b/a Duke Energy Carolinas, LLC
526 South Church St.
P.O. Box 1006/ Mail Code EC03T
Charlotte, N.C. 28201-1006

2. The name and address of Applicant's Attorneys are:

Robert T. Lucas
Associate General Counsel and
Assistant Secretary
Duke Energy Carolinas Law Department
526 South Church St.
P.O. Box 1006/ Mail Code EC03T
Charlotte, N.C. 28201-1006

William F. Austin
Richard L. Whitt
Austin, Lewis & Rogers, P.A.
508 Hampton Street
Columbia, South Carolina 29201
(803) 251-7442

3. Copies of all pleadings, orders or correspondence in this proceeding should be served upon the attorneys listed above.
4. The Applicant is a public utility engaged in the generation, transmission, distribution, and sale of electric energy in the central and western portion of North Carolina and the western portion of South Carolina and is subject to the jurisdiction of this Commission.
5. By your Order Number 2005-349 issued in this Docket and dated June 7th, 2004, this Commission authorized Duke Energy Carolinas', formerly known as Duke Energy Corporation, to enter into a revolving credit facility, incur and repay indebtedness under such facility pursuant to the terms thereof, and issue notes evidencing such indebtedness, all in the manner described in such order and in Duke Energy Carolinas' Application in this Docket, dated May 7th, 2004 (the "Application").

6. Pursuant to the Commission's Order, Duke Energy Carolinas entered into a three-year revolving credit facility dated June 30th, 2004, with a group of large commercial banks, under which it may borrow from time to time up to a maximum amount of \$500,000,000 (the "Facility"). Duke Energy Carolinas utilizes the Facility to provide liquidity support for its commercial paper program. Citicorp North America, Inc. serves as administrative agent for the Facility, which is further described in the Application and the exhibit thereto.

7. Also, pursuant to Your Order in this Docket dated June 28, 2005, the Commission approved Duke Energy Carolinas entry into an amendment and restatement of the Facility, primarily to extend the maturity dated of the Facility by three years, to June 30, 2010. Due to improved market conditions, Duke Energy Carolinas has determined that it is advisable to approach the lenders under the Facility seeking to amend and restate the Facility to extend the maturity date thereof by an additional one-year period, resulting in a maturity date of June 30th, 2011. Except with respect to the maturity date, the terms and conditions of the amended and restated Facility will be identical to those of the existing Facility in all material respects. Reference is made to the Summary of Terms and Conditions, which is attached as Exhibit "A" to this Application (the "Term Sheet"), for further details on the terms and conditions of the amended and restated Facility. The above description of the amended and restated Facility is qualified by reference to the more complete description in the Term Sheet.

8. Duke Energy Carolinas intends to finalize the amended and restated Facility by June 30th, 2006, and therefore requests an order in this Docket authorizing its entry into the amended and restated Facility.

9. Duke Energy Carolinas will pay certain fees, including attorneys' fees related to the amendment and restatement of the Facility and a Facility Fee as described in the Term Sheet. Such fee is the result of arm's length negotiations with the lenders under the amended and restated Facility, is comparable to fees payable in similar transactions in the marketplace, and is lower than the Facility Fee currently paid on the Facility. Duke Energy Carolinas will also pay certain administrative fees based upon arm's length negotiations with the administrative agent and joint arrangers under the amended and restated Facility, consisting of a one-time arrangement fee of not more than \$150,000 and an annual administrative fee of not more than

\$30,000. In addition to extending the maturity date, the amendment and restatement of the Facility will result in lower borrowing costs to Duke Energy Carolinas.

10. Proceeds from sales of commercial paper backed by the amended and restated Facility, and from borrowings under the Facility, will continue to be used as stated in the Commission's previous Order in this Docket.

11. The purposes of the amended and restated Facility, and its compatibility with the public interests, are all the same as stated in the Application with respect to the existing Facility.

12. Duke Energy Carolinas respectfully requests that the Commission's order, when issued, state that the Commission's original order in this Docket will stay in full force and effect, except to the extent that the order requested herein provides for an amended and restated Facility as described herein.

13. The Office of Regulatory Staff is being served with a copy of this Application.

14. For all of the reasons set forth above, Applicant requests that (i) this Commission inquire into this matter, (ii) if no substantial opposition develops, (iii) this Commission hear and approve this matter at the next appropriate weekly agenda session, (iv) issue an appropriate Order approving the relief sought in the Applicant's application, and (v) such other and further relief as this Commission may deem just and proper.

WHEREFORE, Duke Energy Carolinas respectfully prays that its entry into the amended and restated Facility, the incurrence and repayment of indebtedness pursuant to the terms thereof, and the issuance of notes evidencing such indebtedness, all in the manner herein set forth, be authorized and approved by the Commission.

This 20th day of June, 2006.

Respectfully Submitted,

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